

Minnesota Attorney General: Administrative Rules Proceedings

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Version 3
August 20, 2018

RULE REVIEW CHECKLIST

File No. 1327

Docket No. 05.0009.0133

DATE RECEIVED 11-4-86
REVIEW DATE 11-~~14-86~~ 13-86
DUE DATE 11-~~18-86~~ 17-86

APPROVED 11-13 86 mjc
DISAPPROVED
WITHDRAWN

ADOPTED W/O HEARING ✓
EMERGENCY RULE

REVISOR APPROVED
REVISOR DISAPPROVED
FILED W/SEC. STATE 11-14-86
RETURNED TO AGENCY 11-17-86

✓ Rule as adopted (4 copies)

___ ~~Notice to Solicit Outside Information/Opinion~~
___ ~~Date published in State Register~~
___ ~~Comments~~

___ ~~Petition for Adoption of a Rule~~

✓ Board's Authorizing Resolution

✓ Proposed rule
___ Revisor's Certificate

✓ Notice of Intent to Adopt Rule
14.22, 16A.128, 214.06 Statutory Authority
yes Small business statement
no Expenditure of public money statement
yes Signature

✓ Statement of Need and Reasonableness

✓ Affidavit of Mailing Notice of Intent to Adopt Rule
8-25-86 Date 30/25 days before adoption

✓ Publication in State Register
8-25-86 Date 30/25 days before adoption

✓ Resolution Adopting

✓ Findings of Fact, Conclusions & Order Adopting
10-15-86 Date

___ ~~Written requests, submissions or comments~~

✓ Declaration of attorney
~~Brd of Accountancy~~ Barry Gueller Name of SAAG representing agency

___ ~~Notice of Submission to Attorney General~~

___ ~~Affidavit of Mailing Notice to Attorney General~~

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT ATTORNEY GENERAL

Office Memorandum

TO: PAMELA K. SMITH, Executive Secretary
Minnesota State Board of Accountancy

ATTN: BARRY R. GRELLER
Special Assistant Attorney General

DATE: 11-14-86

FROM: MARTHA J. CASSERLY MJC
Special Assistant Attorney General

PHONE: 296-4692

SUBJECT: Adopted Permanent Rules Relating to License Nonrenewals

The above-referenced rule has been approved as to its legality by the Attorney General on November 13, 1986.

Enclosed is the agency's copy of the approved rule. This office has already filed two copies of the approved rule with the Secretary of State, who will forward one copy to the Revisor of Statutes. The fourth copy is being retained by this division of the Attorney General's Office for its records.

Also enclosed are any petitions, requests, submission or comments received by the agency and any extra copies of documents which the agency submitted to the Attorney General.

In order for a permanent rule without a hearing to become effective, your agency must publish a notice of adoption in the State Register in accordance with Minn. Stat. § 14.27. An emergency rule becomes effective five working days after approval by the Attorney General; however, the agency must publish a notice in the State Register in accordance with Minn. Stat. § 14.34.

If you have any questions in this regard, please contact me.

MJC:ag

Enclosures

cc: Maryanne Hruby
Executive Director
Legislative Commission to Review
Administrative Rules

Duane Harves
Chief Administrative Law Judge
Office of Administrative Hearings

RR1327

Board of Accountancy

Adopted Permanent Rules Relating to License Nonrenewals

Rules as Adopted

1100.3600 FEES.

Subpart 1. and 2. [Unchanged.]

Subp. 2a. **Annual license late processing fees.** Annual license late processing fees shall be as follows: active individuals, $20; inactive individuals, $10; and partnerships/corporations, $25.

Subp. 2b. **Annual license reinstatement fees.** Annual license reinstatement fees shall be as follows: $50 per year of nonrenewal; and $20 for application for reinstatement after one year of nonrenewal.

Subp. 3. to 5. [Unchanged.]

1100.2150 NONRENEWAL OF INDIVIDUAL LICENSE.

Subpart 1. **Late processing fee.** Licensees who renew their annual license, active or inactive, after the license has expired but before January 31 of the renewal year, shall pay a late processing fee in addition to their annual license fee as required in part 1100.3600, subpart 2a.

Subp. 2. **Reinstatement fee.** Licensees who renew their license, active or inactive, after January 31 of the renewal year to the end of the renewal year, shall pay a reinstatement fee in addition to the annual license fee. Licensees who fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

1100.2750 NONRENEWAL OF PARTNERSHIP LICENSE.

Subpart 1. **Late processing fee.** A partnership that renews

its annual license after the license has expired but before January 31 of the renewal year shall pay a late processing fee in addition to its annual license fee as required in part 1100.3600, subpart 2a.

Subp. 2. **Reinstatement fee.** A partnership that renews its annual license after January 31 of the renewal year to the end of the renewal year shall pay a reinstatement fee in addition to the annual license fee as required in part 1100.3600, subpart 2a. Partnerships that fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

1100.3250 NONRENEWAL OF CORPORATION LICENSE.

Subpart 1. **Late processing fee.** A corporation that renews its annual license after the license has expired but before January 31 of the renewal year shall pay a late processing fee as required in part 1100.3600, subpart 2a, in addition to the annual report fee required by Minnesota Statutes, section 319A.21.

Subp. 2. **Reinstatement fee.** A corporation that renews its annual license after January 31 of the renewal year to the end of the renewal year shall pay a reinstatement fee in addition to the annual license fee as required in part 1100.3600, subpart 2a. Corporations that fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

STATE OF MINNESOTA
DEPARTMENT OF STATE
FILED
NOV 14 1986
Joan Anderson
Secretary of State
10:55A M

APPROVED AS TO FORM AND LEGALITY
November 13 1986
HUBERT H. HUMPHREY, III
ATTORNEY GENERAL
BY MJ Cassedy
SPECIAL ASSISTANT ATTORNEY GENERAL

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

PROPOSED AMENDMENTS TO RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSE REQUIREMENTS AND FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS

CERTIFICATE OF BOARD'S AUTHORIZING RESOLUTION

I, Margaret R. Weber, do hereby certify that I am Secretary/Treasurer of the Board of Accountancy, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete and correct copy of a resolution adopted at a meeting of the Board of Accountancy duly and properly called and held on the 17th day of April, 1986; that a quorum was present at said meeting; that a majority of those present and a majority of the members of the Board voted for the resolution; and that said resolution is set forth in the minutes of said meeting and has not been rescinded or modified:

> RESOLVED, that Michael M. Vekich, Chairman of the Board of Accountancy, be and he hereby is granted the authority and directed to give public notice for the purpose of promulgating amendments to existing rules of the Board of Accountancy with respect to the annual licensure requirements and fees for certified public accountants and licensed public accountants, as wells as to perform any and all acts incidental thereto, including but without being limited thereto, the signing of a notice of intent to adopt rules without a public hearing and the preparation of a statement of need and reasonableness.

IN WITNESS WHEREOF, I have hereunto subscribed my name this 17th day of April, 1986.

Margaret R. Weber
Secretary/Treasurer
MINNESOTA STATE BOARD OF ACCOUNTANCY

ATTESTED:
Robert C. Skoog
Board Member
MINNESOTA STATE BOARD OF ACCOUNTANCY

Board of Accountancy

Proposed Permanent Rules Relating to License Nonrenewals

Rules as Proposed

1100.3600 FEES.

Subpart 1. and 2. [Unchanged.]

Subp. 2a. **Annual license late processing fees.** Annual license late processing fees shall be as follows: active individuals, $20; inactive individuals, $10; and partnerships/corporations, $25.

Subp. 2b. **Annual license reinstatement fees.** Annual license reinstatement fees shall be as follows: $50 per year of nonrenewal; and $20 for application for reinstatement after one year of nonrenewal.

Subp. 3. to 5. [Unchanged.]

Rules as Proposed (all new material)

1100.2150 NONRENEWAL OF INDIVIDUAL LICENSE.

Subpart 1. **Late processing fee.** Licensees who renew their annual license, active or inactive, after the license has expired but before January 31 of the renewal year, shall pay a late processing fee in addition to their annual license fee as required in part 1100.3600, subpart 2a.

Subp. 2. **Reinstatement fee.** Licensees who renew their license, active or inactive, after January 31 of the renewal year to the end of the renewal year, shall pay a reinstatement fee in addition to the annual license fee. Licensees who fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

APPROVED IN THE REVISOR OF STATUTES OFFICE BY:

1100.2750 NONRENEWAL OF PARTNERSHIP LICENSE.

Subpart 1. **Late processing fee.** A partnership that renews its annual license after the license has expired but before January 31 of the renewal year shall pay a late processing fee in addition to its annual license fee as required in part 1100.3600, subpart 2a.

Subp. 2. **Reinstatement fee.** A partnership that renews its annual license after January 31 of the renewal year to the end of the renewal year shall pay a reinstatement fee in addition to the annual license fee as required in part 1100.3600, subpart 2a. Partnerships that fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

1100.3250 NONRENEWAL OF CORPORATION LICENSE.

Subpart 1. **Late processing fee.** A corporation that renews its annual license after the license has expired but before January 31 of the renewal year shall pay a late processing fee as required in part 1100.3600, subpart 2a, in addition to the annual report fee required by Minnesota Statutes, section 319A.21.

Subp. 2. **Reinstatement fee.** A corporation that renews its annual license after January 31 of the renewal year to the end of the renewal year shall pay a reinstatement fee in addition to the annual license fee as required in part 1100.3600, subpart 2a. Corporations that fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

APPROVED IN THE
REVISOR OF STATUTES
OFFICE BY:

Office of the Revisor of Statutes

Administrative Rules

TITLE: Proposed Permanent Rules Relating to License Nonrenewals

AGENCY: Board of Accountancy

MINNESOTA RULES: Chapter 1100

The attached rules are approved for publication in the State Register

Paul M. Marinac
Assistant Deputy Revisor

STATE OF MINNESOTA

BOARD OF ACCOUNTANCY

PROPOSED AMENDMENT TO RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSE REQUIREMENTS AND FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS.

ORDER FOR NOTICE OF INTENT TO AMEND RULES WITHOUT A PUBLIC HEARING

IT IS HEREBY ORDERED this 8 day of August, 1986, that a Notice of Intent to Amend Rules Without a Public Hearing in the above-entitled matter be given to all persons who have registered their names with the State Board of Accountancy for that purpose and that such Notice be published in the State Register.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

BY: _____
MICHAEL M. VEKICH
CHAIRMAN

Dated: August 8, 1986.

MINNESOTA
STATE BOARD OF ACCOUNTANCY

METRO SQUARE BUILDING, 5TH FLOOR
ST. PAUL, MINNESOTA 55101
612-296-7937

August 25, 1986

To Whom it May Concern:

Persons who have received the attached notice of intent to amend rules and proposed rule and wish to submit comments should submit such comments by September 29, 1986 to:

Pamela K. Smith, Executive Secretary
Minnesota State Board of Accountancy
500 Metro Square Building
St. Paul, Minnesota 55101

Sincerely,

Pamela K. Smith

Pamela K. Smith
Executive Secretary

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

PROPOSED AMENDMENT TO RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSE REQUIREMENTS AND FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS.

NOTICE OF INTENT TO AMEND RULES WITHOUT A PUBLIC HEARING

Notice is hereby given that the Minnesota Board of Accountancy ("Board") proposes to adopt the above-entitled amendments to existing rules of the Board without a public hearing. A public hearing will not be held on these rules, in accordance with Minnesota Statutes, Sections 14.22, 16A.128 and 214.06 (1984 & Supp. 1985), as amended.

Persons interested in this rule have 30 days to submit comments in support of or in opposition to the proposed amendment. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Small businesses are encouraged to participate in the rule making process. The proposed rule will have an impact on small businesses, in that small businesses which fail to renew their annual licenses in a timely manner will be required to pay additional fees and may be required to apply for reinstatement of their licenses.

Persons who which to submit comments should submit such comments within 30 days following the publication of this notice to:

Pamela K. Smith, Executive Secretary
Minnesota Board of Accountancy
500 Metro Square Building
St. Paul, Minnesota 55101
Telephone: (612) 296-7937

Authority for the adoption of these rules is contained in Minnesota Statutes §§ 16A.128, 214.06, 326.17, 326.18 and 326.22 (1984 & Supp. 1985), as amended. Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Ms. Smith upon request.

Upon adoption of the final rule without a public hearing, the proposed rule, this notice, the statement of need and reasonableness, all written comments received, and the final rule as adopted will be delivered to the Attorney General for review as to its legality, and as to its form to the extent the form relates to legality, including the issue of substantial change, and for a determination as to whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rule as proposed for adoption, will be notified if they submit a written request for notification to Ms. Smith.

A copy of the proposed rule follows.

Copies of this notice and the proposed rule are available and may be obtained by contacting Ms. Smith.

MICHAEL M. VEKICH
Chairman
Board of Accountancy
State of Minnesota

MINNESOTA STATE BOARD OF ACCOUNTANCY

PROPOSED AMENDMENT TO A RULE OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSING FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS.

STATEMENT OF NEED AND REASONABLENESS

The above captioned rule is an amendment to an existing rule of the Board of Accountancy ("Board"). The Board's rules were last amended on November 11, 1985.

I.

STATUTORY AUTHORITY

Minn. Stat. Section 326.18 (1984) empowers the Board to promulgate and adopt rules to carry into effect, implement and enforce the purposes and provisions of Minn. Stat. Sections 325.165 to 326.23 and 214.12 (1984). Minn. Stat. Sections 214.06, Subd. 2 and 326.20, Subd 1 (1984), require the Board to promulgate rules concerning the renewal of licenses. Minn. Stat. Section 214.06, Subd. 1 (1984) further authorizes the Board, with the approval of the Commissioner of Finance, to adjust any fee which the Board is empowered to assess so that the total fees collected by the Board will closely as possible equal anticipated expenditures during the fiscal biennium. Finally, Minn. Stat. Section 16A.128 (1984) provides that fee adjustments shall be made with the approval of the Commissioner of Finance and may be made using the procedure for non controversial rules specified in Minn. Stat. Sections 14.21 to 14.28 (1984).

II.

FACTS ESTABLISHING NEED AND REASONABLENESS

Certified Public Accountants and Licensed Public Accountants who practice public accounting are required by Minn. Stat. Section 326.20 to renew their licenses as prescribed by the Board.

Under Minn. Stat. Section 326.20, Subd. 1, all licensees, active and inactive, are required to renew by December 31, the expiration date on their annual licenses. The percent of licensees who failed to renew on a timely basis was 27% for 1985 and 20% for 1986.

Board staff verifies over 2,500 licenses per year to state and federal agencies, national organizations, state boards and consumers. Delays in license renewals prevent the Board from maintaining a current and accurate record of active and inactive licenses. Currently, some licensees delay renewing licenses until February, March or later. Timely renewal is particularly important for the consumer, since the tax season begins January and ends April.

Late renewals also delay the licensing renewal process for all licensees and adversely affect the efficiency of the Board office. Compliant licensees are being indirectly penalized by not receiving their licenses on time. Staff time and Board funds are being used to track down and enforce renewal by noncompliant licensees. There are currently no additional fees for late renewals or licensees who fail to respond to the Board communications.

The proposed rule will impose a late processing fee of $20.00 for licensees who fail to renew by December 31 and a $50.00 reinstatement fee per year for licensees who renew after January 31 of the renewal year. A $20.00 application for reinstatement fee will be charged to licensees who fail to renew for two years. The Board believes these fees reflect the added cost to the Board of processing late renewals and dealing with the disruption caused by late renewals.

The proposed change is expected to generate $8,500 in additional funds for F.Y. 1987, $4,470 for F.Y. 1988 and $3,140 for F.Y. 1989. These funds will be used to offset operating costs necessary to monitor and enforce compliance with Minnesota Statutes and Rules regarding public accountancy licensing requirements. As compliance increases, it is expected that the revenue generated will decrease.

The agency has considered the impact that the proposed increase in fees will have on small business and has specifically considered the methods for reducing that impact which are specified in Minn. Stat. Section 14.155, Subd.2 (1984):

"(a) the establishment of less stringent compliance or reporting requirements for small businesses;

(b) the establishment of less stringent schedules or deadlines for compliance or reporting requirements for small businesses;

(c) the consolidation or simplification of compliance or reporting requirements for small businesses;

(d) the establishment of performance standards for small businesses to replace design or operational standards required in the rule; and

(e) the exemption of small businesses from any or all requirements of the rule."

The Board has determined that the purpose of the rule will not be met if small businesses are exempted from the rule or if different deadlines, standards or fees are applied to small businesses or their members or employees. The Board notes that many licensees are owners, members or employees of small businesses, and the overall purpose of the rule is to apply the licensing requirements to such persons in a reasonable manner. Persons who would be affected by the rules may avoid that affect by renewing in a timely manner.

The attached approval of the Department of Finance is a part of this statement of Need and Reasonableness.

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT Board of Accountancy

Office Memorandum

TO: Josie Ashton

DATE: August 13, 1986

FROM: Pamela K. Smith
Executive Secretary

PHONE: 296-7937

SUBJECT: Fee Schedule Revision

This is to request approval of a Board fee schedule revision as stated in Board Rule 1100.3600, FEES, to read:

> Subp. 2a. Annual license late processing fee. Annual license late processing fee shall be as follows: active individuals, $20; inactive individuals, $10; and partnerships/corporations, $25.
>
> Subp. 2b. Annual license reinstatement fees shall be as follows: $50 per year of non-renewal; and $20 for application of reinstatement after one year of non-renewal.

Board Rules to support these fee changes will be found in Rules 1100.2150, 1100.2750 and 1100.3250 (see attached copy of rule). The Board is following the rule making process for the proposed rules.

All licensees, both active and inactive are to renew by December 31 of each calendar year. The percent of non-compliant licensees for 1985 was 27% and for 1986 approximately 20%. Over 1755 licensees failed to renew on time for 1986. 355 of these licensees had not renewed as of July 31, 1986 even though they had received 2nd renewal notices.

Non-compliant licensees should not and will not be allowed to hold themselves out to the public as actively licensed. Board staff verifies over 2500 licensees per year to state and federal agencies, national organizations, state boards and consumers. In order to effectively regulate the profession and protect the consumer it is imperative that the Board maintain a current and accurate record of all licensees, active and inactive. This is virtually impossible when some licensees are delaying their renewal until February, March and later. In addition, timely renewal is particularly important during tax season.

Late renewals also delay the licensing renewal process for all licensees and adversely affect the efficiency of the Board office. Staff time and Board funds are being used to "track down" and "enforce" renewal of licensees. The Board anticipates that the late processing fee and the reinstatement fee will increase compliance with licensure requirements. This will enable the Board to more effectively serve the public and assist the staff in completing agency activities on a timely basis.

Approved 8-18-86
B.J. Reddemann, Director
Budget Operations & Support

Licensees who are non-compliant by failing to renew for two years will be required not only to pay the appropriate fees as stated in Board Rule, but will be required to apply for reinstatement of their license. This reinstatement application will inform the Board whether or not that person has, in fact, been practicing public accounting during the time he or she was unlicensed. The Board will then take appropriate disciplinary action if necessary.

The proposed rule and fee schedule will be included in each license renewal notice. This will include both active and inactive individuals, partnerships and corporations. Additionally, the rule will be adequately publicized to national accounting organizations, state and federal agencies (i.e. the Minnesota State Department of Revenue etc.) and other state boards.

The Minnesota Society of CPAs and the Minnesota Association of Public Accountants have been notified of the proposed rule and their opinion has been solicited throughout the rule making process.

The Board anticipates that the revenue generated by these rules will be minimal after the first two years. For the 1986 renewal year 20% (1400) of the licensees renewed late. An additional 4% (355) have not yet renewed. Using 1985 renewal figures, it is anticipated that 38% of the 355 will renew (after a third notice) by the end of the calendar year 1986. An additional 20% will renew because of the publicity on the new rule. 10% will drop out of the system (retire, die, move, etc.). 32% will fail to renew by year end 1986.

The Board further anticipates that with the implementation of the new rule, the 32% of non-renewals for 1986 will renew or reinstate in 1987. To project revenue on the high side, it is estimated that 38% will renew late (pay $20 late fee) and 62% will reinstate (pay $50). However, it is also estimated that 3% of total licensees for 1987 will fail to renew in a timely manner. 5% of these licensees are expected to be reinstates. Revenue projections on the attached Revenue Estimates Sheet (for F.Y. 87, F.Y. 88 and F.Y. 89) reflect the above statistics and those that follow.

A projected 3% of total licensees for 1988 will fail to renew on time. 3% of these are expected to be reinstates. By end of calendar year 1988 the Board believes that the majority of the licensees who have fallen into the reinstatement category, will have reinstated their license or notified the Board to remove them from the licensing system. Those who have dropped out will no longer be considered licensed to practice in Minnesota.

The Board estimates that by renewal year 1989 2% of all licensees will fail to renew on time. 2% of these licenses are projected to be reinstates.

The Board anticipates that any revenue generated by these penalties will enable the Board to recover the costs generated by the enforcement of the rules, (i.e. Attorney General staff, possible conferences or hearings). It has been difficult to predict the amount of revenue if any, that may be generated.

In its 1985-1986 Biennial Budget presentation, the Board stated that its goal was to increase effectiveness by increasing compliance with public accountancy licensing law. The Board further stated that rules revision and implementation of penalties would generate this compliance. Adoption of the above rule is the first step in this direction. Adoption of complete rules revision by end of F.Y. 86 will ensure greater compliance.

PKS:jp

PROPOSED AMENDMENT TO A RULE OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSURE FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS

AFFIDAVIT OF MAILING

STATE OF MINNESOTA)
)ss.
COUNTY OF RAMSEY)

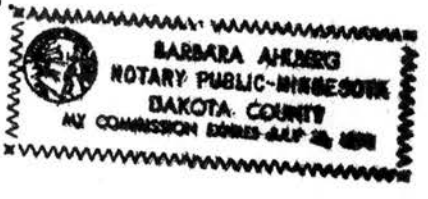
Linda Notch, being first duly sworn deposes and says:

That on the twenty-fifth day of August, 1986, at the City of St. Paul, County of Ramsey, State of Minnesota, she served the attached Notice of Intent to Adopt Rules Without Public Hearing by depositing in the State of Minnesota Central Mail System for United States mailing at said City of St. Paul, a copy thereof, properly enveloped, with postage prepaid on all persons and associations who have requested that their names be placed on file with the State Board of Accountancy for the purpose of receiving notice of the proposed adoption of rules by this Board.

Linda J. Notch
Linda J. Notch

Subscribed and sworn to before me
this 25th day of August, 1986.

Barbara Ahlberg
Notary Public



STATE OF MINNESOTA

COUNTY OF RAMSEY

CERTIFICATE

PROPOSED AMENDMENT TO THE RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSURE FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS

I hereby certify that the list of persons, associations, and other interested groups who have requested, pursuant to Minnesota Statutes, Section 14.14, Subdivision 1, that their names be placed on file with and maintained by the State Board of Accountancy for the purpose of receiving notice of the proposed adoption of rules by this Board is accurate and complete as of 9:00 A.M., this twenty-fifth day of August, 1986.

Pamela K. Smith
Executive Secretary

Henry Tembrock
State Auditor's Office
555 Park Street, Suite 400
St. Paul, MN 55103

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Attorney at Law
811 First National Bank Bldg.
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St. Paul, MN 55101

Sam Ruhle
Office of Administrative Hearings
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Grand Forks, ND 58202
ATTN: Daryl J. Hill

South Dakota Board of Accountancy
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Sioux Falls, SD 57105
ATTN: Jim W. Pfeiffer, CPA

Wisconsin Accounting Examining Board
1400 East Washington Avenue
P.O. Box 8936
Madison, WI 53708
ATTN: Sharon Englerth

AICPA
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ATTN: George Dick

Dana Chabot
1013 72nd Avenue North
Minneapolis, MN 55430

Commissioner Thomas Triplett
Department of Revenue
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CLEAR

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Bob Franklin, City Editor
Minneapolis Tribune
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Minneapolis, MN 55488

2/7/85

Names to be added to Rules Publication List:

Roger Reinhart
135 3rd Avenue S.E.
Box 66
Hutchinson, MN 55350 - 8-27-86

STATE OF MINNESOTA

STATE REGISTER

DEPARTMENT OF ADMINISTRATION—DOCUMENTS DIVISION



Monday 25 August 1986

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Pages 321-368

CONTENTS

MINNESOTA RULES AMENDMENTS AND ADDITIONS

Issues 1-8 inclusive 324

EXECUTIVE ORDERS

#86-5: Providing for Protection and Advocacy for People with Mental Illness and Assigning Responsibilities to the Legal Aid Society of Minneapolis, Inc. 326

#86-6: Providing for Protection and Advocacy for People with Developmental Disabilities and Assigning Responsibilities to the Legal Aid Society of Minneapolis, Inc. 327

#86-7: Providing for a Client Assistance Program for Individuals Receiving or Seeking Services under the Rehabilitation Act and Assigning Responsibilities to the Legal Aid Society of Minneapolis, Inc. 328

Statement of Assurances

Minnesota Protection and Advocacy System for Submission to the Administration on Developmental Disabilities Office of Human Development Services, U.S. Department of Health and Human Services 330

PROPOSED RULES

Accountancy Board

License Nonrenewals 331

Optometry Board

Home Study Programs, Emeritus Registration 332

ADOPTED RULES

Administrative Hearings Office

Awards of Expenses and Fees in Contested Cases 334

Agriculture Department

Seed Potato Certification 335

Pharmacy Board

Fees 335

Revenue Department

Railroad Valuation 335

OFFICIAL NOTICES

Commerce Department

Outside Opinions Sought on Rules for Development Loans, Net New Funds, Rating Scale and Relevant Information Required in Applications and Reporting Procedures 344

Energy and Economic Development Department

Outside Opinion Sought Regarding Rules on Community Energy Council Grants to Govern Distribution of Oil Overcharge Funds for Community Energy Initiatives Grants 345

Health Department

Services for Children with Handicaps Cost-Sharing Schedule 345

Human Services Department

Hospital Cost Index 346

Investment Board

Investment Board and Advisory Council Meetings 347

Labor and Industry Department

Outside Opinion Sought on Amendments to Rules Governing Eligibility Criteria for Qualified Rehabilitation Consultants 347

Soil and Water Conservation Board

Special Board Meeting 347

Transportation Department

Debarment Order for Ridgedale Electric, Inc. 347

Debarment Order for Gerald Andrew Wagoner 348

STATE CONTRACTS

Administration Department, Procurement

Contracts and Requisitions Open for Bid 349

Iron Range Resources and Rehabilitation Board

Request for Proposals for Graphic Arts Services 349

Natural Resources Department

Request for Proposals for Health and Safety Services 350

STATE GRANTS

Jobs and Training Department

Food Demonstration Projects Funding 351

Vocational Technical Education Board

Funds for Community Based Organization Programs 352

Funds for Incarcerated Programs 352

SUPREME COURT CALENDAR

Cases Scheduled for September 1986 353

SUPREME COURT DECISIONS

Opinion Filed 1 August 1986 356

Decisions Filed 8 August 1986 356

Decisions Filed 15 August 1986 360

TAX COURT

Order Dated 11 August 1986 361

PROPOSED RULES

Pursuant to Minn. Stat. of 1982, §§ 14.22, an agency may propose to adopt, amend, suspend or repeal rules without first holding a public hearing, as long as the agency determines that the rules will be noncontroversial in nature. The agency must first publish a notice of intent to adopt rules without a public hearing, together with the proposed rules, in the *State Register*. The notice must advise the public:

1. that they have 30 days in which to submit comment on the proposed rules;
2. that no public hearing will be held unless 25 or more persons make a written request for a hearing within the 30-day comment period;
3. of the manner in which persons shall request a hearing on the proposed rules; and
4. that the rule may be modified if the modifications are supported by the data and views submitted.

If, during the 30-day comment period, 25 or more persons submit to the agency a written request for a hearing of the proposed rules, the agency must proceed under the provisions of §§ 14.14-14.20, which state that if an agency decides to hold a public hearing, it must publish a notice of intent in the *State Register*.

Pursuant to Minn. Stat. §§ 14.29 and 14.30, agencies may propose emergency rules under certain circumstances. Proposed emergency rules are published in the *State Register* and, for at least 25 days thereafter, interested persons may submit data and views in writing to the proposing agency.

Board of Accountancy

Proposed Permanent Rules Relating to License Nonrenewals

Notice of Intent to Amend Rules without a Public Hearing

Notice is hereby given that the Minnesota Board of Accountancy (''Board'') proposes to adopt the above-entitled amendments to existing rules of the Board without a public hearing. A public hearing will not be held on these rules, in accordance with Minnesota Statutes, Sections 14.22, 16A.128 and 214.06 (1984 & Supp. 1985), as amended.

Persons interested in this rule have 30 days to submit comments in support of or in opposition to the proposed amendment. Comment is encouraged. Each comment should identify the portion of the proposed rule addressed, the reason for the comment, and any change proposed. The proposed rule may be modified if the modifications are supported by the data and views submitted to the agency and do not result in a substantial change in the proposed language.

Small businesses are encouraged to participate in the rule making process. The proposed rule will have an impact on small businesses, in that small businesses which fail to renew their annual licenses in a timely manner will be required to pay additional fees and may be required to apply for reinstatement of their licenses.

Persons who wish to submit comments should submit such comments within 30 days following the publication of this notice to:

Pamela K. Smith, Executive Secretary
Minnesota Board of Accountancy
500 Metro Square Building
St. Paul, Minnesota 55101
Telephone: (612) 296-7937

Authority for the adoption of these rules is contained in Minnesota Statutes §§ 16A.128, 214.06, 326.17, 326.18 and 326.22 (1984 & Supp. 1985), as amended. Additionally, a statement of need and reasonableness that describes the need for and reasonableness of each provision of the proposed rule and identifies the data and information relied upon to support the proposed rule has been prepared and is available from Ms. Smith upon request.

Upon adoption of the final rule without a public hearing, the proposed rule, this notice, the statement of need and reasonableness, all written comments received, and the final rule as adopted will be delivered to the Attorney General for review as to its legality, and as to its form to the extent the form relates to legality, including the issue of substantial change, and for a determination as to whether the record demonstrates a rational basis for the need for and reasonableness of the proposed rule. Persons who wish to be advised of the submission of this material to the Attorney General, or who wish to receive a copy of the final rule as proposed for adoption, will be notified if they submit a written request for notification to Ms. Smith.

A copy of the proposed rule follows.

KEY: PROPOSED RULES SECTION — Underlining indicates additions to existing rule language. ~~Strike outs~~ indicate deletions from existing rule language. If a proposed rule is totally new, it is designated ''all new material.'' ADOPTED RULES SECTION — Underlining indicates additions to proposed rule language. ~~Strike outs~~ indicate deletions from proposed rule language.

Copies of this notice and the proposed rule are available and may be obtained by contacting Ms. Smith.

Michael M. Vekich, Chairman
Board of Accountancy

Rules as Proposed

1100.3600 FEES.

Subpart 1. and 2. [Unchanged.]

Subp. 2a. **Annual license late processing fees.** Annual license late processing fees shall be as follows: active individuals, $20; inactive individuals, $10; and partnerships/corporations, $25.

Subp. 2b. **Annual license reinstatement fees.** Annual license reinstatement fees shall be as follows: $50 per year of nonrenewal; and $20 for application for reinstatement after one year of nonrenewal.

Subp. 3. to 5. [Unchanged.]

Rules as Proposed (all new material)

1100.2150 NONRENEWAL OF INDIVIDUAL LICENSE.

Subpart 1. **Late processing fee.** Licensees who renew their annual license, active or inactive, after the license has expired but before January 31 of the renewal year, shall pay a late processing fee in addition to their annual license fee as required in part 1100.3600, subpart 2a.

Subp. 2. **Reinstatement fee.** Licensees who renew their license, active or inactive, after January 31 of the renewal year to the end of the renewal year, shall pay a reinstatement fee in addition to the annual license fee. Licensees who fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

1100.2750 NONRENEWAL OF PARTNERSHIP LICENSE.

Subpart 1. **Late processing fee.** A partnership that renews its annual license after the license has expired but before January 31 of the renewal year shall pay a late processing fee in addition to its annual license fee as required in part 1100.3600, subpart 2a.

Subp. 2. **Reinstatement fee.** A partnership that renews its annual license after January 31 of the renewal year to the end of the renewal year shall pay a reinstatement fee in addition to the annual license fee as required in part 1100.3600, subpart 2a. Partnerships that fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

1100.3250 NONRENEWAL OF CORPORATION LICENSE.

Subpart 1. **Late processing fee.** A corporation that renews its annual license after the license has expired but before January 31 of the renewal year shall pay a late processing fee as required in part 1100.3600, subpart 2a, in addition to the annual report fee required by Minnesota Statutes, section 319A.21.

Subp. 2. **Reinstatement fee.** A corporation that renews its annual license after January 31 of the renewal year to the end of the renewal year shall pay a reinstatement fee in addition to the annual license fee as required in part 1100.3600, subpart 2a. Corporations that fail to renew within one year of the expiration date of the license shall submit an application for reinstatement of their license. Applicants for reinstatement shall pay an application for reinstatement fee; a reinstatement fee; and annual license fee for each year of nonrenewal as required in part 1100.3600, subpart 2b.

Board of Optometry

Proposed Permanent Rules Relating to Home Study Programs, Emeritus Registration

Notice of Intent to Amend and Adopt Rules without a Public Hearing

Notice is hereby given that the Minnesota Board of Optometry proposes to amend Minn. Rule 6500.0900, Home Study Programs, and adopt proposed rule, Emeritus Registration, as authorized by Minn. Stat. 148.53. A copy of the proposed amendment and proposed rule is attached to this notice.

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

PROPOSED AMENDMENT TO RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSE REQUIREMENTS AND FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS.

CERTIFICATE OF THE MINNESOTA BOARD OF ACCOUNTANCY'S RESOLUTION ADOPTING RULES

I, Margaret R. Weber, do hereby certify that I am a member and the Secretary/Treasurer of the Minnesota Board of Accountancy, a board duly authorized under the laws of the State of Minnesota, and that the following is a true, complete, and correct copy of a resolution adopted at a meeting of the Board, duly and properly called and held on the 15th day of October, 1986, that a quorum was present, and that a majority of those present and a majority of the members of the Board voted for the resolution which has not been rescinded or modified:

> "RESOLVED, that the amendments to rules of the State Board of Accountancy governing license requirements and fees for certified public accountants and licensed public accountants are approved and adopted, pursuant to authority vested in the Board of Accountancy by Minn. Stat. §§ 16A.128, 214.06, 326.17, 326.18 and 326.22 (1984 and Supp. 1985), as amended, and that Michael M. Vekich, chairman of the Board, is authorized to sign the findings of fact, conclusions, and order adopting the rules and further is authorized to modify the rules if necessary to obtain the approval of the rules by the attorney general, and to correct any grammatical or other errors in the text of the rules, and to perform the necessary acts to provide that the rules shall have the force and effect of law."

IN WITNESS WHEREOF, I have hereunto subscribed my name this 15th day of October, 1986.

ATTESTED TO:

Bertram L. Cluzmember
MINNESOTA BOARD OF ACCOUNTANCY

Margaret R. Weber, Secretary/Treasurer
MINNESOTA BOARD OF ACCOUNTANCY

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

PROPOSED AMENDMENT TO RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSE REQUIREMENTS AND FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS.

FINDINGS OF FACT, CONCLUSIONS, AND ORDER ADOPTING RULES WITHOUT A PUBLIC HEARING

Notice of the Board's intent to adopt the above-entitled rules was published in the State Register on August 25, 1986, and was sent by United States mail to all persons on the list maintained by the Board pursuant to Minnesota Statutes, sections 14.14, subdivision 1a and 14.22 on August 25, 1986. The statement of need and reasonableness was prepared prior to the time that the notice of intent to adopt rules without a public hearing was mailed to all persons on the rulemaking mailing list and published in the State Register and was available to the public.

All persons were given the opportunity to submit comment on the rules for at least 30 days after the notice of proposed rulemaking was published and mailed. No requests for a public hearing on the rules were received by the Board. In addition, no submissions or comments on the rules were received by the Board, and no requests for notice of submission to the attorney general were received by the agency.

Based on the evidence in the record before the Board, I find and conclude as follows:

1. That the Board has complied with all applicable rulemaking requirements of law or rule;
2. That the Board duly resolved that the above-captioned rules be adopted at a duly and properly called public meeting of the Board, held on October 15, 1986;
3. That the above-captioned rules should be adopted without modification; and
4. That the above-captioned rules are necessary and reasonable.

NOW, THEREFORE, IT IS HEREBY ORDERED that the above-captioned rules, identified as Proposed Amendment to Rules of the State Board of Accountancy Governing License Requirements and Fees for Certified Public Accountants and Licensed Public Accountants are adopted this 15th day of October, 1986, pursuant to the authority vested in the Board by Minnesota Statutes, sections 16A.128, 214.06, 326.17, 326.18 and 326.22 (1984 and Supp. 1985), as amended.

MICHAEL M. VEKICH, Chairman
Minnesota Board of Accountancy

STATE OF MINNESOTA
BOARD OF ACCOUNTANCY

PROPOSED AMENDMENT TO RULES OF THE STATE BOARD OF ACCOUNTANCY GOVERNING LICENSE REQUIREMENTS AND FEES FOR CERTIFIED PUBLIC ACCOUNTANTS AND LICENSED PUBLIC ACCOUNTANTS.

DECLARATION OF COUNSEL

I, Barry R. Greller, Special Assistant Attorney General, do hereby declare that I have examined the above-captioned rules and the supporting rulemaking record, and that, based on my examination, the Administrative Procedure Act and Minnesota Rules, chapter 2010 have been followed without exception. For Attorney General billing purposes, the four-digit docket client code for the Board of Accountancy is 0133.

Barry R. Greller

BARRY R. GRELLER
Special Assistant
Attorney General

Dated: October 28, 1986.

Office of the Revisor of Statutes
Administrative Rules

Paul M. Marinac
Assistant Deputy Revisor
296-0948



700 State Office Building
435 Park Street
St. Paul, MN 55155

August 28, 1986

MINNESOTA BOARD OF ACCOUNTANCY
SEP 02 1986

Ms. Pamela Smith
Board of Accountancy
500 Metro Square Building
Saint Paul, Minnesota 55101

RE: AR1011 License Nonrenewals

Dear Ms. Smith:

Enclosed is a stripped copy of your proposed rules as published in the State Register. The copy shows the text of the rules as you proposed them with the stricken text deleted and the underscoring removed.

If your proposed emergency rules or proposed rules adopted without public hearing are adopted without modification, please submit the required number of copies of this document to the Attorney General for final approval. If these rules are to be modified, please use this copy to indicate the modifications you wish to make. Our office will then input the changes, approve the document as to form, and provide you with copies to submit to the Attorney General.

If your proposed rules are adopted after public hearing without modification, please submit one copy of this document to our office for final approval as to form. If these rules are to be modified, please use this copy to indicate the modifications you wish to make. Our office will input the changes, approve the document as to form, and provide you with copies.

Very truly yours,

Paul M. Marinac
PM

Paul M. Marinac

PMM/jc
Encl.

Office of the Revisor of Statutes
Administrative Rules

Paul M. Marinac
Assistant Deputy Revisor
296-0948

700 State Office Building
435 Park Street
St. Paul, MN 55155

August 28, 1986

MINNESOTA BOARD OF ACCOUNTANCY
SEP 0 2 1986

Ms. Pamela Smith
Board of Accountancy
500 Metro Square Building
Saint Paul, Minnesota 55101

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Very truly yours,

Paul M. Marinac
PM

Paul M. Marinac

PMM/jc
Encl.

SF-00006-03

STATE OF MINNESOTA

DEPARTMENT Board of Accountancy

Office Memorandum

TO: Martha J. Casserly
Special Assistant Attorney General

DATE: October 28, 1986

FROM: Pamela K. Smith, Executive Secretary
Minnesota State Board of Accountancy

PHONE: 612-296-7937

SUBJECT: Proposed amendment to a Rule of the State Board of Accountancy governing License Requirements and Fees for Certified Public Accountants and Licensed Public Accountants.

Enclosed for Submission to the Attorney General's Office please find:

1. Certificate of Board's Authorizing Resolution.
2. A copy of the rules as proposed.
3. A Notice of Intent to Amend Rules Without a Public Hearing.
4. A Statement of Need and Reasonableness.
5. An Affidavit of Mailing Notice, the Certificate of Mailing.
6. A copy of the Notice of Intent to Adopt the Rule Without a Public Hearing as Published in the State Register.
7. Four copies of the Rule as Adopted.
8. Certificate of the Minnesota Board of Accountancy's Resolution Adopting Rules.
9. Findings of Fact, Conclusions, and Order Adopting Rules Without a Public Hearing.
10. Order for Notice of Intent to Amend Rules Without a Public Hearing.
11. Declaration of Counsel.

Please be advised that the Board received no written comments in response to the Rule as Proposed. In addition, no requests were received for Notification of submission of the above rule to the Attorney General.

PKS:jp

RECEIVED
OCT 29 1986
ATTORNEY GENERAL
ADMINISTRATIVE AGENCIES

16A.128 Com Commissioner stmt in Need + Reasonableness?

No. Attached to the Stmt of Need + Reasonableness is a memo from the Board of Accountancy - not from Dept of Finance as last sentance of Need + Reasonableness indicates.

OK - Stamp is OOF's

Notice of Intent does not include Expenditure / #.

Fee is imposed on accts, not local public bodies